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How China Makes Foreign Policy

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A Research Paper

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*EA 85-10010
January 1985*

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A Research Paper

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How China Makes Foreign Policy

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Summary

*Information available
as of 20 December 1984
was used in this report.*

Decisionmaking in China is—and always has been—highly centralized. Since his return to power, Deng Xiaoping has called most of the shots, especially in foreign policy. Over the past few years, however, Deng has begun delegating more power and responsibility to his handpicked successors, party General Secretary Hu Yaobang and Premier Zhao Ziyang. Of the two, Hu is the real heir to Deng, with Zhao apparently destined to play the role of chief administrator, much like the late Zhou Enlai under Mao.

Together Hu and Zhao are making the foreign policy apparatus more responsive to their wills and are attempting to coordinate and rationalize the process. They have a long way to go, however, in remaking what remains a complex, overlapping, and fragile decisionmaking structure.

Key institutions to emerge from their efforts are the new Foreign Affairs Small Group administered by Zhao and the reestablished party Secretariat under Hu. They are now responsible for formulating policy and making most of the important day-to-day decisions, helping Hu and Zhao place their stamp on policy and bolstering their image as leaders. Other institutions that play a major role include:

- The Politburo Standing Committee, the party's top decisionmaking body.
- The International Liaison Department. Under Hu Yaobang's activist leadership, this once moribund party agency plays a major role in areas such as relations with North Korea.
- The Foreign Affairs Coordination Point. Under the state apparatus, this informal group hashes out the details of daily diplomacy and economic relations.
- Think tanks, especially those led by officials personally close to Deng, Hu, and Zhao. They often have direct and substantial influence.

The military—long cast by some observers as resisting Deng's foreign policies—does not appear to wield much influence in this area. Historically, some soldier-politicians have been influential, but the military as an institution does not—and apparently never has—played a key role in foreign policy making, [REDACTED]

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Personal relationships still count for as much, if not more, than institutions in policymaking. China's tradition of rule by a strongman continues to apply, making even major changes in the direction of foreign policy relatively easy to initiate and rendering the policy process unpredictable.

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Indeed, persons with close ties to individual leaders at the top often go out of channels and submit uncoordinated proposals that can become policy. Similarly, the leadership uses trusted representatives—especially their offspring—to perform particularly sensitive missions rather than rely on officeholders in the formal chain of command. Foreign policy professionals with few exceptions have not entered the narrow circle of the leadership's trusted advisers.

The conservatives in China's leadership who have resisted some of the reformist initiatives appear to us more concerned with the domestic social effects of foreign policy than with the policy itself. These leaders also have a jealous regard for China's sovereignty and are quick to react when they believe it is slighted. Politburo Standing Committee members Chen Yun, 79, and Li Xiannian, 75, stand out in this regard, although their influence on foreign policy appears to have declined recently.

Another senior leader who could prove increasingly troublesome, is the independent-minded Peng Zhen, 82, rumored to be responsible for intelligence and a candidate for membership in the party's Politburo Standing Committee. Peng has a record of emotionally tinged anti-US remarks.

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Chinese leaders take their own counsel and rely on a handful of close advisers who share their strategic outlook and for the most part do not represent institutional interests. Foreign policy professionals, with few exceptions, have not entered the narrow circles of the leadership's trusted advisers.

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How China Makes Foreign Policy

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Introduction

Since the founding of the People's Republic, China's leaders have had enormous personal scope in shaping foreign policy. In the early years, this reliance on the judgment of one or a few individuals was not a great handicap because of China's limited international role and its acceptance of the Soviet lead in many areas.

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The opening of China to the West since the end of the Cultural Revolution, however, has greatly increased the importance of the decisions of Beijing's leaders and its foreign policy apparatus.

Deng's twin objectives—economic modernization and a smooth succession to party General Secretary Hu Yaobang and Premier Zhao Ziyang—have, however, prompted him to delegate some of his authority to these two men and the bureaucracies they head. But the process of creating a foreign policy establishment responsive to Hu and Zhao is far from complete. This paper looks closely at China's foreign policy institutions as they are evolving and then discusses the roles of the major players.

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The Foreign Policy Hierarchy

The Party . . .

The Politburo Standing Committee. This is the apex of decisionmaking in China. Three of its six members—Deng, Hu, and Zhao—together make the major decisions in foreign policy, with Deng the dominant figure.

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Deng has gradually shifted responsibility for foreign affairs onto the shoulders of Hu and Zhao. Zhao told a US scholar last July that he and Hu are on the "first line" of decisionmaking. The other four, older Standing Committee members, on the "second line," now decide "only a few" issues.

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The Politburo. Since the reestablishment of the party Secretariat in early 1980, the once-strong role of the Politburo has steadily diminished, its functions limited largely to approving what the Secretariat submits to it. Its 24 full members and three alternate members, often powerful individuals in their own right, are

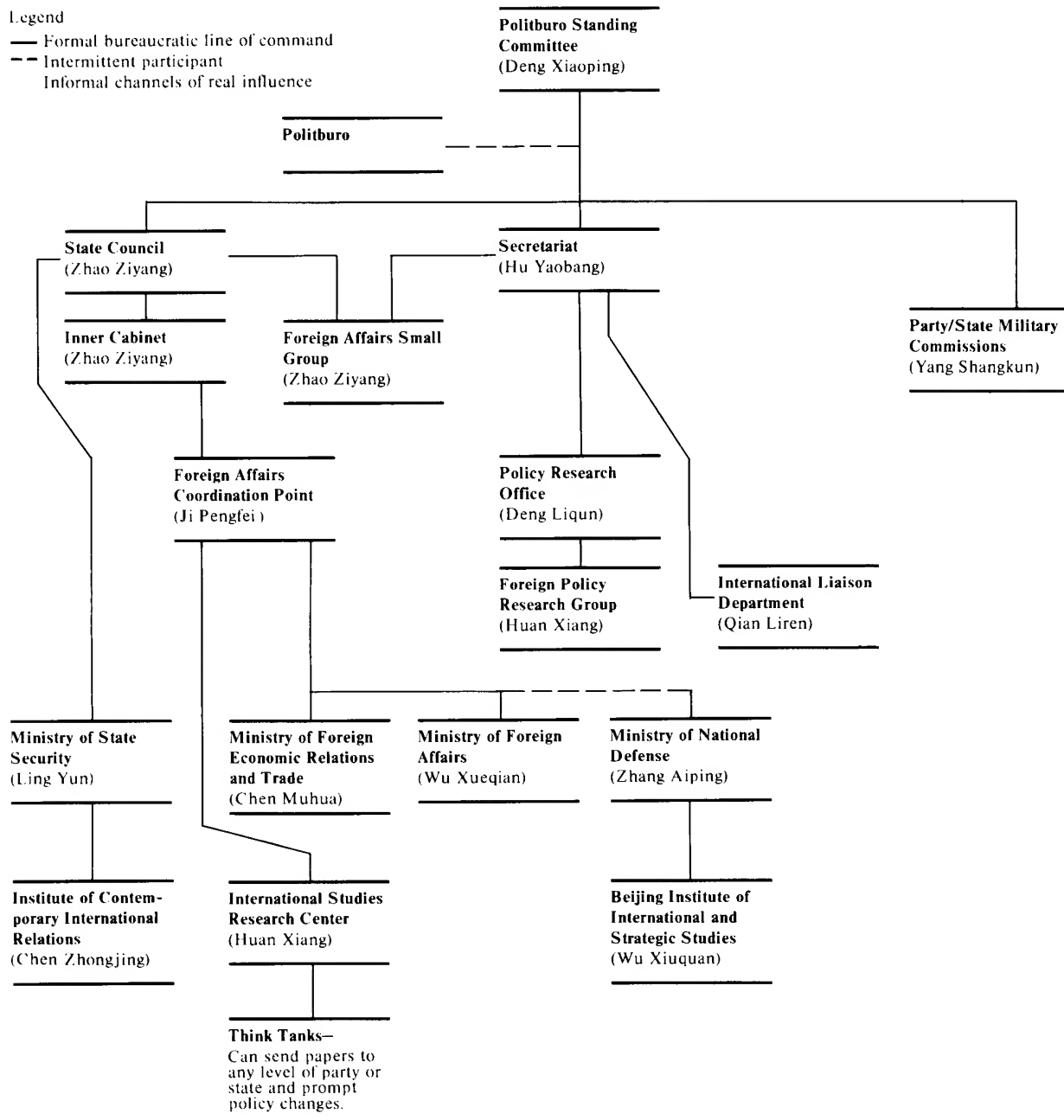
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Figure 1
China's Foreign Policy Decision Making Hierarchy

Legend

- Formal bureaucratic line of command
 - - Intermittent participant
 Informal channels of real influence



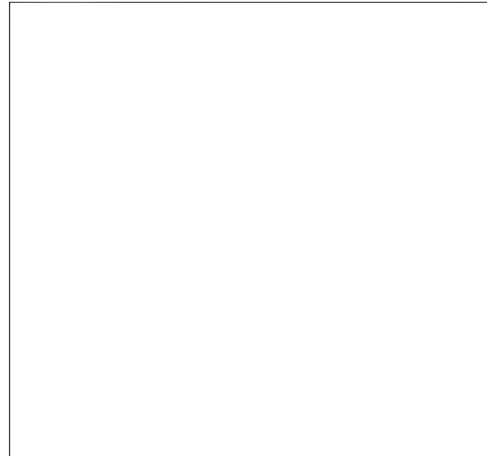
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who are not closely identified with Deng and Hu. For example, General Political Department head Yu Qiuli is often associated with President Li Xiannian, and Vice Premier Yao Yilin seems to be close to Chen Yun.

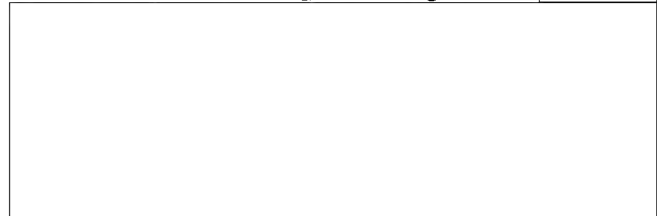
collectively quite elderly (average age 75), and no effort is under way to make the membership younger.

Although troublesome Politburo members are treated gingerly, the reformist-dominated Secretariat has fairly successfully circumvented the group as a whole. In recent years, the Politburo has met infrequently and usually only in connection with larger gatherings—so-called expanded Politburo meetings—that include Secretariat members and a variety of other party, state, and Army figures. These large meetings appear to dilute the impact of the Politburo deliberations, effectively packing the meeting in Deng's favor

The Secretariat. On all issues, this is now the key policy formulation body in the Chinese party. We believe that the Secretariat shapes and oversees the implementation of nearly all major departures in foreign policy—such as opening China's cities to foreign investment. Its governmental counterpart is the State Council. The membership and staff of the two organizations overlap.

The Secretariat is the central coordination mechanism for all party activities and is the bureaucratic power base for General Secretary Hu. Its 11 members and alternates include some senior figures, however,

The Foreign Affairs Small Group. Li Xiannian presides over this group, but in fact it is headed by Premier Zhao and is the most important body reviewing day-to-day issues. Its members include the leaders of all organizations dealing with foreign affairs:



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Despite the establishment of the small group, many Chinese in the ministries still complain to scholars and US Embassy officials about the lack of coordination in the Chinese foreign policy establishment. Reports and studies on virtually any topic from any organization continue to be channeled directly to the top leadership through networks of personal relations without notification to other elements of the bureaucracies or peer review. As a result, Deng and other leaders sometimes issue policy statements that come as a surprise to China's diplomats.

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Standing midway between the party and state, it coordinates the activities of all organizations concerned with foreign policy matters. Zhao identified this group as a party organization and outlined its role as exchanging views, studying problems, and communicating with one another. According to Zhao, "It does not decide what concrete measures are to be taken."

The Foreign Policy Research Group. This group provides staff support primarily for Hu and the party Secretariat.

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The International Liaison Department. The ILD has a unique role in the policy apparatus: supervising China's dealings with foreign Communist parties and some Communist-ruled countries. With the decline in the international Communist movement and the breakup of the Sino-Soviet Bloc in the 1960s, the ILD lost its main role and much of its policy influence, confining its activities to party intelligence work and contacts abroad with less significant parties.

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Under Hu Yaobang's activist leadership and the daily oversight of Hu Qili, however, the ILD is making a comeback. It is in charge of Beijing's more ecumenical approach to foreign parties and now deals not only with pro-Soviet parties in Europe but with any party China hopes to influence. []

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Hu's personal involvement in relations with North Korea also has increased the prominence of the ILD. According to a US Embassy source, the ILD drafted all of the papers prepared for Hu's trip to North Korea last May. In November 1984, moreover, an "unofficial" visit to China by Kim Il-song, the Korean party leader, took place under the ILD's aegis. []

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Qian Liren, a follower of Hu Yaobang since their time together in the Communist Youth League in the 1950s, heads the ILD. []

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[] Qian's youth activities abroad and previous experience in the ILD make him one of the better informed officials in Hu's circle of trusted associates. []

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... and State

The State Council. The Council is an unwieldy body comprising more than 50 members. It is sometimes called upon to place a stamp of bureaucratic approval on broad policy measures, such as supporting Deng's opening to the outside or Zhao's economic reforms. A less cumbersome "inner cabinet" of about 15 State Council members meets twice a week. This largely technocratic group reportedly works to solve nuts-and-bolts questions that need attention by relatively senior officials. The Premier takes a strong hand in supervising this body. []

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The Premier's principal foreign affairs aide in State Council work is Deputy Secretary General Chen Chu, a veteran diplomat. Despite his position, Chen appears to exercise little influence. []

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According to Premier Zhao, the Minister of Foreign Affairs and the Minister of Foreign Economic Relations and Trade meet with Ji frequently to discuss foreign affairs. Their positions make them among the best informed and potentially most influential government officials in the foreign affairs arena. Zhao said, "When there are problems they cannot solve, they raise them with the State Council." We suspect, however, that their concurrent positions in the Small Group permit issues to go directly there, short-circuiting the State Council. []

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The Ministry of Foreign Affairs. According to Zhao, the MFA is mainly an "implementing body." []

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The MFA's lack of political clout, moreover, makes it just one of a number of bureaucracies clamoring to bring their interests to the attention of the leadership. Officials have complained to US Embassy officers []

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that they are unable to control even the publication of articles on foreign policy in China's authoritative media to ensure a unified line. []

The Ministry also prepares a portion of the policy and briefing papers on regional issues for leadership meetings. Some of the products of the American and Oceanian Affairs Department, and possibly the Soviet and East European Affairs Department, receive limited, high-level distribution and are considered important in the foreign policy community. Observers agree, however, that there are no effective functional bureaus in the Ministry. []

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We believe the influence of the MFA should not be discounted too much. As the chief representative of the Chinese Government in dealings with the outside world, it is a source of ideas and reporting that help form the leadership's agenda. []

Conferences of senior MFA officials, including ambassadors assigned abroad, are held periodically in China, usually to receive instructions but sometimes to put forth views on policy. We believe that over time these are influential. []

The Ministry of Foreign Economic Relations and Trade (MFERT). Given the regime's preoccupation

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with modernization of the Chinese economy and its constantly reiterated policy of opening to the outside, the recently created (1982) and bureaucratically enormous MFERT has the potential to become very powerful. It has line responsibility for China's burgeoning foreign trade and modest foreign aid program.

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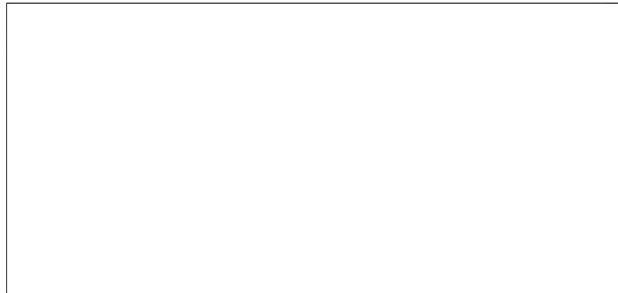
The Military. How the People's Liberation Army (PLA) formally interacts with the foreign affairs community is unclear, apparently by design. Among foreign observers and even Chinese officials, there is considerable uncertainty about the military's influence on foreign policy. Although many have imputed to the PLA a variety of views on the basis of very thin evidence, we have no hard evidence that the PLA as an institution has historically promoted or obstructed a particular foreign policy line, even during the era when Lin Biao led the military.

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Individual soldier-politicians may take positions on military-related foreign issues, often representing special interest groups within the armed forces. In order to obtain needed equipment quickly, some line officers appear willing, for example, to become increasingly dependent on arms and technology from abroad, while military-related production ministries have vested interests at home to protect against foreign competition. Their respective influence depends, however, on their personal prestige and connections at least as much as on their institutional affiliation. On balance, we believe the PLA as a whole focuses its energies on domestic issues of more pressing importance to it, such as the budget and military modernization.

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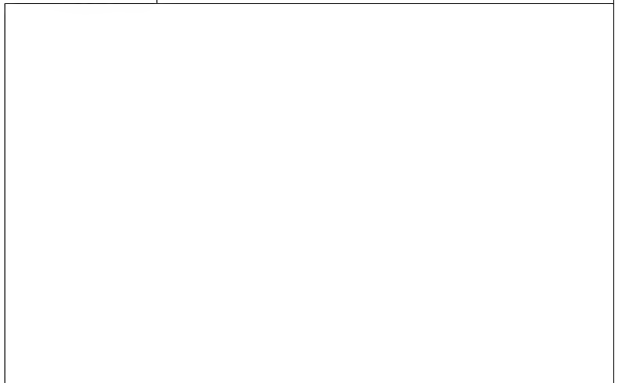
Other individuals within the military are increasingly performing sensitive foreign affairs tasks at the behest of the leadership. Middle-level officers involved in the developing Sino-US military relationship, for example, include a striking number of the offspring of senior leaders. In our view, this channel does not represent an expression of PLA institutional interest in expanding the relationship with the United States as much as it does a traditional Chinese inclination to use trustworthy officials to oversee sensitive policy matters.

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The Ministry of State Security is headed by a career public security official, Ling Yun. Ling was Deng's special assistant for security during his visit to the United States in 1979 and presumably is still trusted to look after Deng's interests in the Ministry.

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The security apparatus, in turn, is the political responsibility of National People's Congress Standing Committee Chairman and Politburo member Peng Zhen and Secretariat member Chen Pixian. The Chinese media routinely identify these men as presiding over the public activities of the security ministries. []

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The Institute of Contemporary International Relations has functioned since the late 1940s as a center for producing all-source finished intelligence. []

[] it falls bureaucratically under the Minister of State Security. []

[] the institute produces current intelligence and long-term studies based on classified reporting presumably obtained through an arrangement with the security apparatus and Foreign Ministry. It is said to be the largest foreign affairs institute in Beijing, with 300 analysts and support staff who tend to be young and well regarded for their expertise. []

[] the institute has 400 employees overseas as well, in some cases, we believe, holding full-time MFA assignments, but also in most instances presumably collecting intelligence under Ministry of State Security auspices. []

paper, according to US Embassy reporting, his inscription will receive wider dissemination and become a factor that must be addressed in policy. []

In [] effort to coordinate the increasing flow of these products, Beijing established the *International Studies Research Center*. Huan Xiang directs this organization, as well as the Secretariat's Foreign Policy Research Group.² []

Huan's bureaucratic breadth as a foreign policy specialist is unmatched in China. [] [] however, he has been frustrated to a degree by various organizations that continue to bypass his Research Center. Given the determination of Hu and Zhao to impose increasing coordination on the bureaucracies, Huan may come to control the flow of information and papers more effectively. []

The Defense Ministry has an institute of its own, the *Beijing Institute of International and Strategic Studies (BISS)*, headed by veteran soldier and diplomat, Wu Xiuquan. []

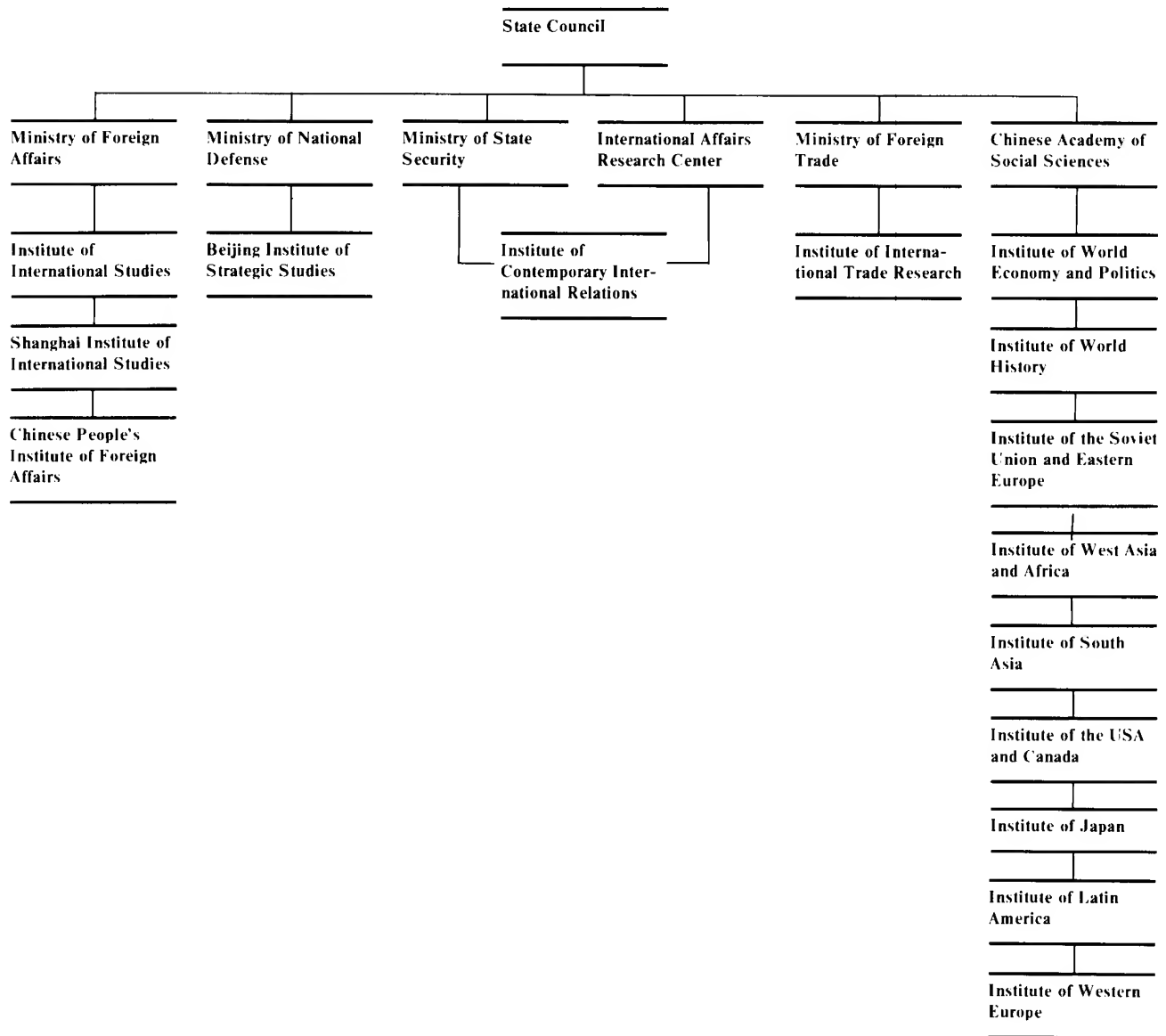
[] Wu long headed military intelligence and still appears to oversee it through Deputy Chief of the General Staff Xu Xin. BISS has only a small staff of about 20 and no quarters of its own thus far. Its []

Research Institutes. Since the end of the Cultural Revolution, institutes for foreign affairs research have proliferated (see figure 2). Most do not participate actively in policymaking. As a group, however, they are able to send materials directly to the leadership—depending on personal relationships. If a leader like Deng or Chen Yun endorses a particular point in a

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Figure 2
China: Foreign Policy Research Institutes Under the State Council



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primary purpose seems to be collecting overt intelligence, with very limited analytical capability. ☐

Finally, the *Chinese Academy of Social Sciences (CASS)*, established in 1977 as the font of many of the reform camp's most important ideas, houses some specialized foreign affairs institutes. The head of CASS, Ma Hong, is an economist who is not regarded as a foreign policy actor. ☐

One of the institutes under CASS is the Institute of American Studies, a small and ill-funded organization according to its director, Li Shenzhi. Li is well regarded within top foreign policy circles, according to many reports. He was close to Zhou Enlai in the 1950s and 1960s and traveled to the United States with Deng in 1979 and with Zhao in 1984. He also helped to author Hu Yaobang's speech to the 12th Party Congress in 1982, setting out China's independent foreign policy line.³ Despite the high regard in which he is held, Li has been slow to acquire bureaucratic authority. One CASS official believes Li may soon rise to a leading position in the Academy. Li seems to be a protege of Huan Xiang. ☐

Ad Hoc Groups. The leadership frequently forms special study or policy groups to wrestle with issues of broad scope or particular sensitivity. These fall into two general categories: departmental and ministerial representative meetings and senior leadership teams. ☐

Broadly based representative meetings appear intended primarily to build a consensus and overcome bureaucratic cleavages on issues. According to the US Embassy, for example, a visiting US scholar was told that the State Council organized a task force before announcing Premier Zhao's agreement to visit the United States. ☐

In another case, representatives of the Foreign Ministry's desk, the Institutes of International Studies, of International Relations, and for Contemporary International Relations prepared an assessment, under the direction of Huan Xiang, on the prospects for the

reelection of President Reagan. The task force concluded that the President would be reelected and that China should prepare to deal with him for another five years. Similar ad hoc groups are formed to coordinate papers in advance of visits by important figures, such as Vice President Bush and Prime Minister Thatcher. ☐

Ad hoc groups composed of top leaders are not a new phenomenon and seem to reflect China's traditional reliance on a few powerful individuals. ☐

Dissent Mechanisms. China's political culture stresses conformity, despite the efforts of the leadership occasionally to encourage initiative. When a single leader is dominant, as Deng is now, the tendency is to avoid challenging his line on issues such as foreign policy. When the leader is weak, however, political opponents look for issues to exploit as cudgels in their battles. Debates can occur completely out of our view, but some differences emerge when senior leaders

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make public remarks that are out of step with the prevailing line.⁴ ☐

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The conditions of comparative stability in China today have reduced visible dissent to a minimum. Under these conditions, perhaps the safest and most commonly used means of publicly debating an issue, especially one that has not been finally decided upon by the leadership, is the use of allegorical articles in China's media. In August 1984, for example, an article appeared in *Red Flag* ostensibly to commemorate China's National Day, but it went on to dredge up unpleasant memories about the stationing of US forces in China before 1949. Although the intent of such pieces is usually masked, this article seemed written to warn the leadership about the potential adverse consequences of a military relationship with the United States. ☐

We know very little about the interplay between senior leaders and those who express dissent from below. Long after specific policy or factional battles have been fought, however, information has often emerged linking the authors of allegorical articles, for example, with top leaders who are struggling with their colleagues. Gaining access to the official media to publish allegories appears to require at least tacit approval by someone in authority. ☐

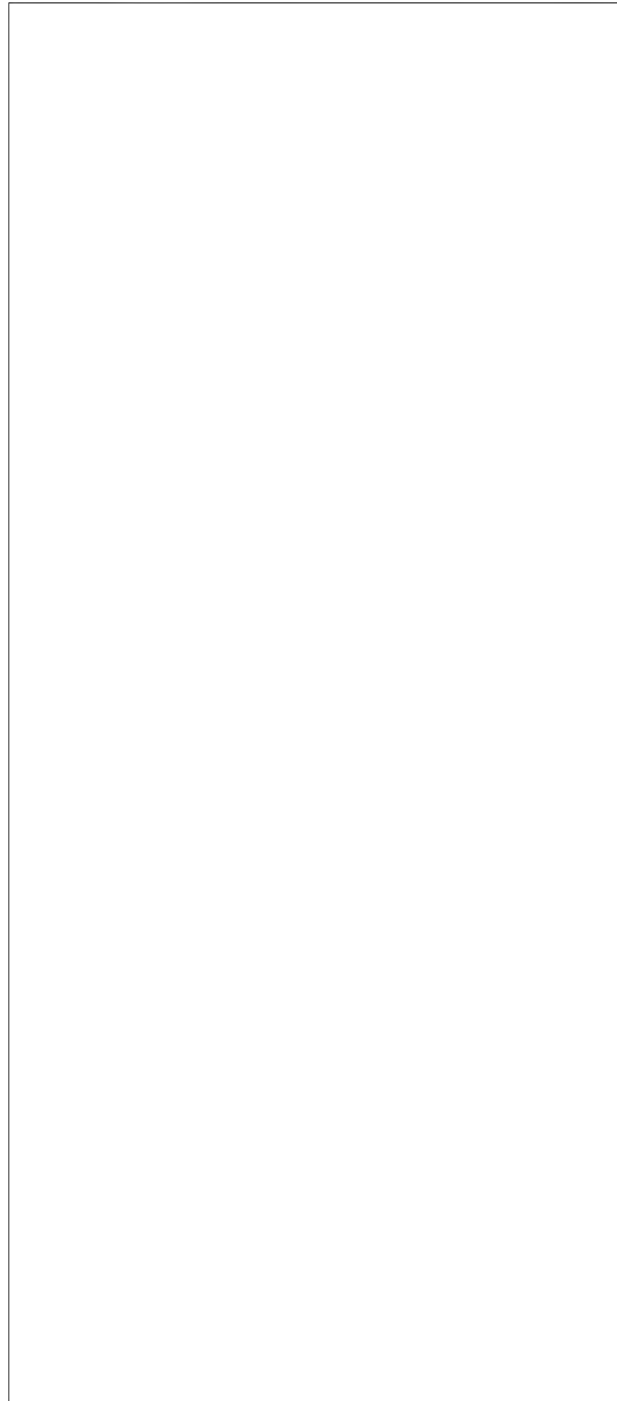
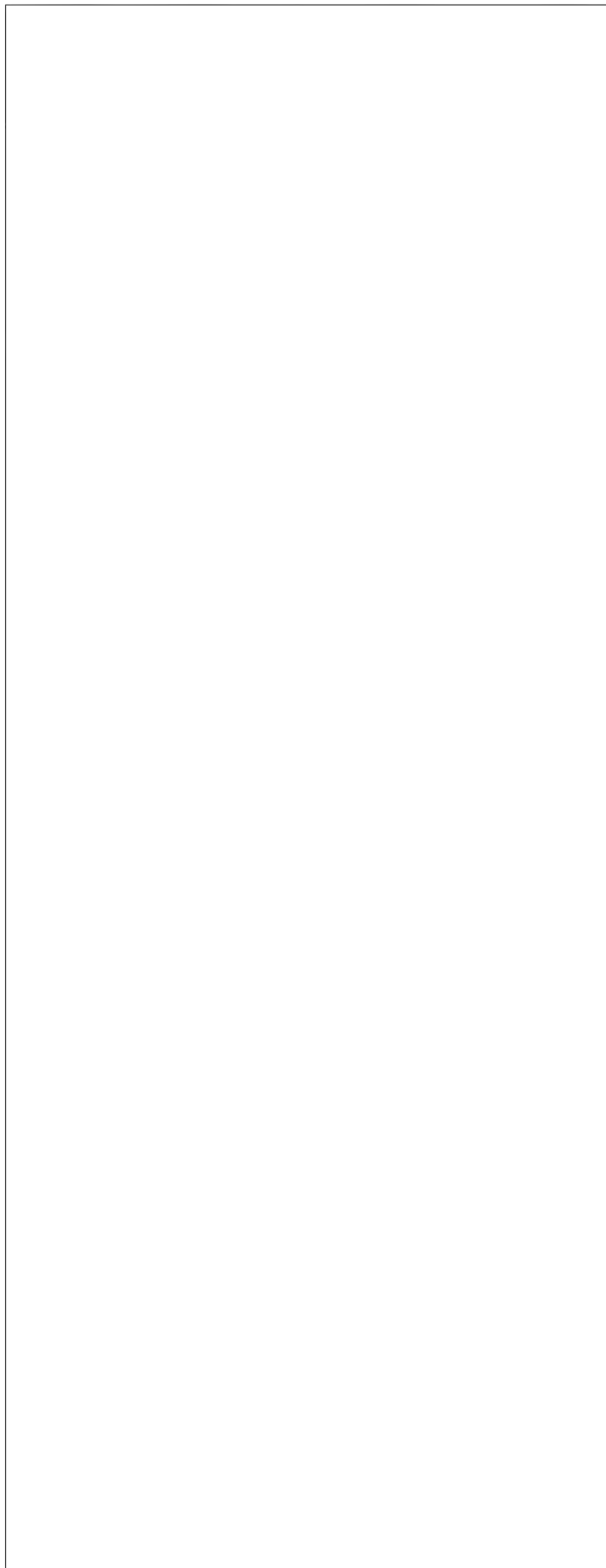
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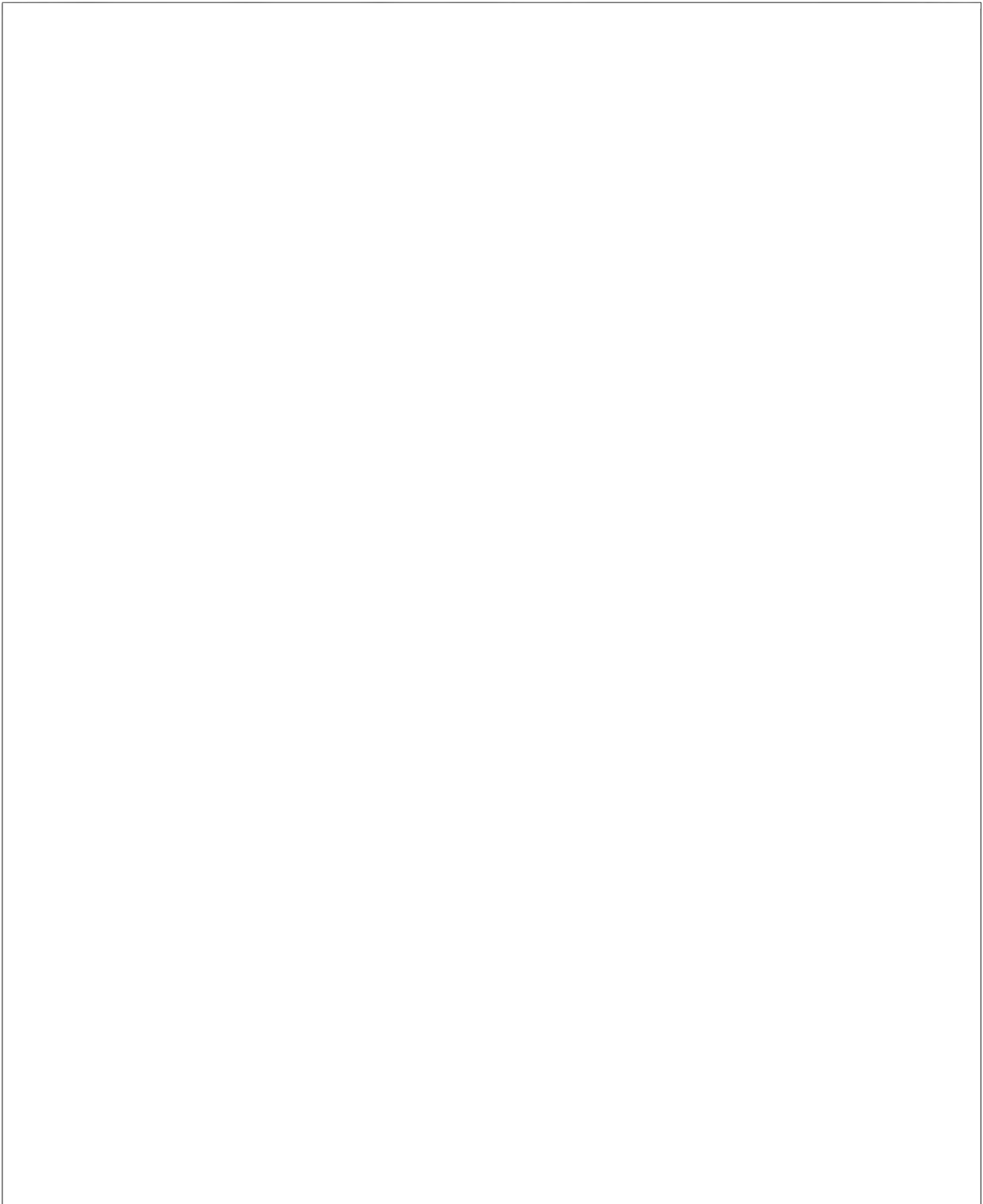


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At the same time, the concentration of authority in the hands of Deng, Hu, and Zhao gives these leaders—especially Deng—the authority to stare down domestic critics, for example, on the decision to play down China's reaction to quiet, unofficial US dealings with Taiwan. ☐

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It is too early to tell whether the new institutions created by the reformers will last. China's tradition of rule by a strongman, combined with a tendency to treat foreign policy as his special preserve, still makes even major changes in the direction of foreign policy relatively easy to initiate. The complex pattern of personal relationships that exist throughout the system remains, in our view, more durable and influential than the institutions themselves. ☐

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Conclusions and Implications for the United States

The creation of new coordinating mechanisms has strengthened the role of the reform group under Deng in the foreign policy making process. It has not, however, fundamentally altered the system's tendency to rely, in an almost chaotic fashion, on individuals rather than institutions. By regularizing much of the flow of information and policy papers, the Deng group has reduced, to a degree, the potential for confusion, error, and opposition mischief. It also has helped Hu and Zhao to place their stamp on policy, bolstering their image as national leaders. ☐

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Tighter management of the process, we believe, has also made implementation of policy toward the United States more effective. By including suspected skeptics of the relationship in the policy generation process and by appointing study groups across bureaucratic lines, the regime is able to channel and control dissenting views within the system. ☐

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Appendix

An Illustration of the Decisionmaking Process

In June 1984, *Outlook* magazine published a highly unusual article chronicling China's decision "to further open to the world" 14 coastal cities. We believe this decision provoked particularly intense behind-the-scenes arguments, because of the major domestic implications of the competition and opportunities brought by increased contact with the world. Some officials evidently also believed that special economic zones would become "special political zones" for foreigners. By detailing the stages of decisionmaking and consensus building, the reform leadership apparently wanted to demonstrate to skeptics that the policy was firm, broadly based, and no longer to be questioned. At the same time, Hu and Zhao presumably sought to portray themselves as presiding over a smooth governmental process with the blessing of all the top leaders.

The article documented the emergence of the Secretariat as the central party body to shape the initiatives of the leadership. It also demonstrated how inscriptions on policy documents by top leaders influence policy debates. Finally, it showed how the Politburo was circumvented and maneuvered into functioning as a rubberstamp.

May 1980

The Central Committee and State Council issued document establishing "special economic zones."

August 1980

The Standing Committee of the National People's Congress gave pro forma approval of zones.

1981-82

Central Committee and State Council issued further stipulations and regulations.

January 1982

Hu Yaobang told the Secretariat, "On the basis of self-reliance, we must widen our field of vision from China to the world."

1982

Chen Yun inscribed instructions on a document urging the zones be run "more successfully."

Chronology

December 1978

The watershed Third Plenum of the 11th Central Committee approved the notion of opening to the outside world.

Top leaders Hu Yaobang, Ye Jianying, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and others conducted personal investigations of the zones.

April 1979

Deng Xiaoping proposed creating special zones to entice foreign capital and technology to China.

February 1983

Hu Yaobang said, while touring the Shenzhen zone, "Be bold in exploring and blazing new trails."

"Soon afterwards"

Central Committee and State Council sent work teams to investigate establishing "special zones for exports."

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| January-February 1984 | Deng Xiaoping, Wang Zhen, and Yang Shang-kun inspected the zones. Deng wrote an inscription saying, "Our policy in establishing special economic zones is correct." |
| 24 February 1984 | "Leading comrades of the central authorities" attended a "forum" where Deng instructed, "We must make clear that our guiding ideology is to open wide and not to restrict." |
| "Not long afterwards" | The Secretariat and State Council began concrete preparations for a forum of coastal city leaders. |
| 26 March-6 April 1984 | The Secretariat and State Council held a forum of coastal city and provincial officials together with responsible and leading officials from the special economic zones and central organs. Deng Xiaoping and Li Xiannian attended the closing. Zhao Ziyang called Deng's proposal to open additional cities a "major policy." |
| 30 April 1984 | Finally, Hu Yaobang and Zhao Ziyang presided over a Politburo meeting, also attended by "leading comrades" of the Secretariat, the State Council, the Central Advisory Commission, and "other organs" to endorse Deng's proposal. |

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